



Comptroller General  
of the United States

Washington, D.C. 20548

## Decision

Matter of: LBM Inc.  
File: B-236403  
Date: November 30, 1989

### DIGEST

Protest of contracting agency's decision not to permit the protester to correct a mistake in bid is denied where correction would have displaced the low bidder and the protester's intended bid price is not apparent from the bid itself.

### DECISION

LBM Inc. protests the proposed award of a firm, fixed-price indefinite quantity contract to Phillips National, Inc., for family housing maintenance services at the Naval Air Engineering Center, Lakehurst, New Jersey, under invitation for bids No. N62472-87-B-5203, issued by the Department of the Navy. LBM contends that the Navy improperly denied LBM's request to correct a mistake in its bid that would have made it the low bidder.

We deny the protest.

The IFB was issued on August 8, 1988, for bids on a base year (Lot I) and 1 option year (Lot II). Nine amendments were made to the IFB prior to the bid opening date with Amendment No. 0009 revising the unit quantity under Lot I line item Nos. 0001AA, 0001AB(a), and 0001AB(b) respectively, from 11, 8, and 11 months to 7 months for each.

The bidding schedule for both the base and option year was divided into two major line items, one for fixed price lump-sum work and one for indefinite quantity work. Bidders were required to enter a unit price and an extended total price for each subline item under each major item, as well as a total price for each major line item. Bidders were also required to enter a total price for each year for performing both major items. Award was to be made to the low responsive, responsible bidder with the lowest total price for the base and option year. The IFB indicated that

in the event of a difference between a unit price and the extended total amount, the unit price would be held to be the intended bid price.

Five bids were received at bid opening, on March 9, 1989. The two lowest bids were rejected and Phillips was determined to be the low responsive and responsible bidder with a bid of \$608,650. LBM was the next low bidder with a bid of \$676,600. The Navy requested LBM to verify its bid because of several calculation errors. On May 12, LBM requested permission to correct its bid to \$592,600. LBM advised that it erroneously based its extended totals on the higher quantities listed for line item No. 0001 prior to amendment No. 0009. LBM also indicated that it had committed mathematical errors in calculating line items 0002AC and 0004AC.

LBM's bid as submitted and the corrections claimed were as follows:

<u>Original Bid</u>		<u>Quantity</u>	<u>Unit</u>	<u>Total</u>
0001AA	Service Calls	11 mo.	\$14,500	\$159,500
0001AB(a)	Lawn Maint.	8 mo.	5,000	40,000
0001AB(b)	Grounds Maint.	11 mo.	6,700	73,700
0002AC	Add. Mat.	15,000 + (15,000 x 20%) = \$3,000		
0004AC	Add. Mat.	15,000 + (15,000 x 20%) = \$3,000		
<u>Corrected</u>				
0001AA	Service Calls	7	\$14,500	\$101,500
001AB(a)	Lawn Maint.	7	5,000	35,000
0001AB(b)	Grounds Maint.	7	6,700	46,900
0002AC	Add. Mat.	15,000 + (15,000 x 20%) = \$18,000		
0002AB	Add. Mat.	15,000 + (15,000 x 20%) = \$18,000		

In addition to these errors, the Navy reports that LBM's original bid contained an erroneous sum for the Lot 1 total for line items 0001 and 0002. The entered total of \$318,000 did not equal the actual total \$293,900 for the items listed.

Because the corrections sought by LBM displaced the low bidder, the Navy determined that, under Federal Acquisition Regulation (FAR) § 14.406-3 (FAC 84-44) correction was not allowable in this instance. Subsection (a) of this regulation provides that correction of a mistake in bid that displaces the low bidder will not be permitted unless the existence of the mistake and the bid actually intended are ascertainable substantially from the solicitation and the

bid itself. The Navy determined that LBM's mistake did not satisfy this standard and award was made to Phillips on July 25.

LBM argues that, because of the IFB provision giving precedence to unit prices, the Navy was required to extend its unit prices as submitted to calculate its bid for the total amounts, and that the intended bid is ascertainable from the solicitation and bid itself. We find that the Navy did not act unreasonably in denying LBM's request to correct its bid.

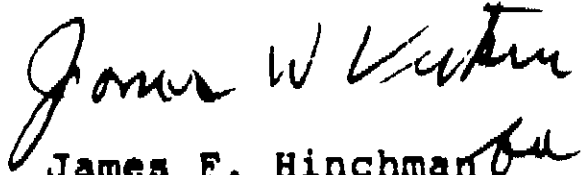
While the mistake-in-bid rules are intended to permit relief to bidders who make genuine mistakes in their bids, the paramount concern of the rules is the protection of the competitive bidding system. Accordingly, the rules generally may not be used to correct a price discrepancy which renders the bid subject to two reasonable interpretations only one of which results in the bid being low, if the interpretation that renders the bid low can only be gleaned after explanation from the bidder. To hold otherwise would permit the bidder to gain an unfair advantage over the other bidders by deciding after the prices are revealed to choose between a bid price which results in award and one that does not. Eagle Electric, B-228500, Feb. 5, 1988, 88-1 CPD ¶ 116. Therefore, we have held that a provision in the solicitation for resolving the discrepancy between the unit and extended prices in favor of one or the other does not apply where a bid contains this kind of mistake. See Id; Bill Strong Enters., Inc., B-200581, Mar. 6, 1981, 81-1 CPD ¶ 179.

While LBM acknowledged amendment No. 0009, which changed the number of months of performance in the base year, the mistake which LBM alleges is not apparent from the face of its bid. The IFB did not require that extended totals reflect unit price multiplied by the unit quantity. LBM's bid contained an unit price and indicated the unamended quantities, and showed a total equal to the multiple of the two. However, it is just as reasonable to conclude that LBM intended to bid the extended prices that it did, and that a mistake was made in the unit prices, as it is to conclude that the unit prices were correct and that a mistake was made in the extended totals. In this regard, we note that LBM's bid contains various other mathematical errors which make all of its calculations problematical. Furthermore, since LBM has conceded that its bid is based on an improper quantity, there is no basis to determine that LBM would have bid the same unit prices for a lesser amount of work. The bid correction rules do not permit a bidder to recalculate and change its bid to include factors which the

bidder did not have in mind when its bid was submitted. See  
Antech Elevator Servs., B-216067, Jan. 11, 1985, 85-1 CPD  
¶ 31.

We find that the nature and number of discrepancies  
contained in LBM's bid prevented the Navy from determining  
LBM's actual intended bid from the solicitation and the bid,  
without further explanation.

The protest is denied.

  
James F. Hinchman  
General Counsel